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August 28, 2007

E-FILED AND HAND-DELIVERED

The Honorable Joseph J. Farnan, Jr.
United States District Court
District of Delaware
844 N. King Street
Room 4124, Lockbox 27
Wilmington, DE 19801

RE: *Stanziale v. Pepper Hamilton LLP, et al.*, No. 07-427

Dear Judge Farnan:

On February 8, 2007, the United States District Court for the Southern District of New York transferred Pepper Hamilton's motion to compel compliance with a subpoena *duces tecum* to this Court. The motion, which relates to two cases presently scheduled for trial before Your Honor on October 10, 2007 -- *Stanziale v. Pepper Hamilton LLP, et al.*, No. 04-1551, and *Royal Indemnity Co. v. Pepper Hamilton LLP, et al.*, No. 05-165 -- was officially entered on this Court's docket under a separate docket number on July 6, 2007. Pepper respectfully requests a ruling on the motion, as Pepper will need to make considerable efforts if the motion is granted to extract and review the potentially critical information contained on the computer server that is the subject of the motion in the six weeks remaining before trial.

Pepper Hamilton's motion seeks to compel the production of an email server used by its former client, Student Finance Corporation ("SFC"). The email server contains thousands of emails to and from former SFC employees, including emails between SFC, Pepper Hamilton and other attorneys retained by SFC. These emails are critically important given that the bankruptcy trustee for SFC has sued Pepper for, among other things, legal malpractice and breach of fiduciary duty. The emails likely will show what advice Pepper Hamilton and SFC's

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other lawyers did and did not give to SFC and what disclosures Pepper Hamilton made to SFC with respect to the conflicts of interest alleged by the Trustee.¹

The email server at issue is in the possession of a non-party, Mandiant Corporation. When Mandiant refused to comply with a subpoena commanding the production of the server, Pepper Hamilton moved to compel compliance in the United States District Court for the Southern District of New York, the Court from which the subpoena issued. The motion was fully briefed and argued in the Southern District before it was transferred to Your Honor.

Pepper Hamilton stands ready to present the Court with any additional information it may need to decide the motion in advance of the October 10, 2007 trial in these matters.

Respectfully submitted,

William H. Sudell Jr. / by permission
William H. Sudell, Jr. *D/BB*

WHS/clh

cc: All Counsel on Attached Service List

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Pepper Hamilton does not have copies of many of the emails it sent to SFC because those emails were deleted from Pepper Hamilton's system in the normal course of business pursuant to Pepper Hamilton's document retention policies before SFC collapsed.